

Co-operatives and Caste in Maharashtra

A case study

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Introduction

Modern co-operative movement was formally introduced in India in 1904 with the promulgation of the Co-operative Societies Act. Initially, it was confined mainly to agricultural credit; its objective was to free the peasants from the exploitation by money-lenders, by providing the former with alternative sources of credit. Since 1904 the number of co-operatives and their membership and capital investment have grown many times. Gradually, the co-operative activity was also extended to several other spheres such as marketing, processing, farming, banking and housing.

A distinctive feature of modern co-operatives is that they are organised on the basis of certain principles, the most important of which, from the sociologist's point of view, are equality among members and the democratic principle in management. It is well-known that the caste system was one of the major bases of the organization of the traditional Indian society, and it continues to be important in many spheres of life even in modern times. The individuals acquired their caste by birth and the system was characterized by a certain hierarchy among the different caste groups based mainly on the principle of purity and pollution. The system not only implied superiority of certain groups over others in the social, economic and political fields, but it also underlined the acceptance of superiority and inequality by the other groups irrespective of the fact that the different unequal groups co-operated with each other in different spheres of life. It would appear, then, that the basic principles underlying the caste system and the co-operative movement are inconsistent with each other. The same is the case of the relation between caste system and parliamentary democracy based on adult franchise.

A number of social scientists have analysed the role of caste in politics.¹ Some

¹Some of the important studies on this theme are: Srinivas (1962), Bailey (1963), Beteille (1969), Mayer (1967), and Rao (1964 and 1968).

of them have also examined its role in the economic field.² Although co-operative activity is a part of the wider economic field, not much work has been done on the relationship between caste and co-operatives in general and agricultural co-operatives in particular. The aim of this paper is to analyse the role of caste in a co-operative sugar factory. In this connection, I would like to discuss the following questions. How far members of different castes differ in their attitude towards participation in a particular co-operative activity? What are the reasons underlying these differences? How far members of different castes differ in their behaviour while participating in the co-operative activity? Again, what are the factors underlying these differences? And finally, what role does caste play in the success or failure of a co-operative activity? I would like to discuss these questions in relation to three aspects of the co-operative sugar factory, *viz.*, establishment of the factory, leadership and control of the factory, and industrial relations in the factory.

The Background

Maharashtra is considered to be one of the leading states in India in the co-operative field. Among the twenty-six districts in Maharashtra, Ahmednagar district in which the factory under study is located, is recognized as a centre of successful co-operative activity. The district has an extensive network of primary cooperatives covering almost every village. Out of twenty eight cooperative sugar factories in the State, this district alone has eight. The District Central Co-operative Bank of Ahmednagar is acclaimed as the model not only in Maharashtra but in other States as well. The district has also a co-operative sale–purchase union which is the second largest in the State with an annual turnover of about seven crores of rupees.

The whole district, although characterized by a rich soil, was once a famine stricken area due to inadequate and uncertain rains. The completion of irrigation canals from the Godavari and Pravara rivers in 1916 and 1922 respectively was a major landmark in the process of economic development of the region. The canals brought about a shift from the subsistence to cash crops, the principal among the latter being sugarcane. Ahmednagar leads all other districts in Maharashtra in sugarcane production in terms of both acreage as well as yield per acre. There are thirteen sugar factories in the district, eight of which are co-operatives while the remaining five are joint stock companies. These factories together provide regular employment to over thirteen thousand workers and crush over 25 lakh tons of sugarcane annually. The surplus sugarcane, if any, left with the grower, is converted into *gur* (jaggery) by the grower

²The contributions of Bailey (1957) and Epstein (1962) are significant in this field.

himself. The social, economic and political life in the district, particularly in its northern part, revolves mainly around cultivation of sugarcane and manufacture of sugar and *gur*.

Most of the castes found in Maharashtra are represented in Ahmednagar district. Prominent among them are the Brahmin, the cultivator castes of Maratha, Mali, Dhangar and Vanjari, the artisan and servicing castes such as Carpenter, Blacksmith, Barber, and Washerman, and the ex-Untouchable castes such as Mahar, Chambhar and Mang. Since 1956, following the call of the late Dr. B. R. Ambedkar, the majority of the Mahars have converted themselves to Buddhism and are now called Neo-Buddhists. Maratha is the 'dominant caste'³ in the region. They are numerically preponderant and enjoy economic and political power as well as a high, though not the highest, ritual status.

Modern sugar industry started in India at the beginning of this century, but it made a real headway only after 1932 when the Government imposed a protective duty on the import of sugar. Five sugar factories were established in Ahmednagar district within a period of about ten years after 1932. They were organized as joint stock companies controlled mainly by the Marwari and Gujarati industrialists from Bombay. However, the establishment of these factories did not contribute much to the improvement in the economic condition of the local sugarcane growers. It was felt by the local peasant leaders and enlightened co-operators that the establishment of a sugar factory on a co-operative basis was the only way to improve the lot of the sugarcane growers who had suffered due to fluctuations in the *gur* market and exploitation by the joint stock sugar factories. Although the efforts in this direction were begun in 1946, the first factory was established only in 1950. It was the first successful co-operative sugar factory not only in Maharashtra but also in the country as a whole. The factory that I have studied was established in 1953 — the second in the series — and it went into production in 1955–56. I shall call this factory *Kisan* (a pseudonym).

The Factory

Kisan is located near a village in Kopergaon taluka of Ahmednagar district. There are six sugar factories in the taluka, three of which are co-operatives and the rest joint stock companies. The shareholders of *Kisan* (1,044 in June 1963) are sugarcane growers spread over 59 villages in the 'area of operation' of the factory. Most of them belong to the local peasant castes, mainly Maratha, Mali and Karekar. Among

³The Marathas are dominant in the area in the sense in which Srinivas (1959) uses the term.

them the locally dominant Marathas constitute over 60 per cent of the shareholders (see Table 1). The Malis, who constitute 13.7 per cent, are numerically next to the Marathas. The former migrated from the neighbouring Poona district to this area after the completion of the irrigation canals and are recognized as the pioneers in sugarcane cultivation. The Malis are relatively well-to-do among the shareholders of *Kisan*, a fact reflected in the proportion of the shares held by them (see Table 2). It is important to note that the majority of the shareholders — over 60 per cent — are small growers with not more than three acres of land under sugarcane.

Table 1: Distribution of shareholders by their caste and size of shareholding.

Caste	Small (1–6)†	Medium (7–19)†	Large (20–50)†	Total	Percentage of the total shareholders
Maratha	387	208	32	27	60.0
Mali	49	66	28	43	13.7
Karekar	100	21	4	25	11.9
Brahmin	31	15	4	50	4.8
Dbangar	15	2		17	1.6
Vanjari	12	4	1	17	1.6
Marwari	7	3		10	‡
Bania					
Lingayat	6	3	1	10	‡
Wani					
Mahar (Neo-Buddhist)	8	1		9	‡
Chambbar	6	2		8	‡
Dhobi	3	4		7	‡
Gujarati		1	2	3	‡
Bania					
Lonari	1	1		2	‡
Koli	1	1		2	‡
Bajragi	2			2	‡
Sutar	1			1	‡
Vadar		1		1	‡
Muslim	4	4		8	‡
Public bodies	1	1		2	‡
TOTAL	634	338	72	1044	100.0

† Size of shareholding

‡ All combined accounts for 6.4%

NOTE: Each share is of the value of Rs. 500. The shareholder is obliged to supply sugarcane to the factory at the rate of ½ acre of sugarcane per share held by him.

Table 2: Distribution of shareholders of important castes according to their shareholding.

Size of share-holding	Maratha†	Mali†	Karekar†	Brah- min†	Oth- ers†	All shareholders
Small (1–6)	61.8	34.2	80.0	62.0	67.4	60.7
Medium (7–19)	33.1	46.2	16.8	30.0	28.3	32.4
Large (20–50)	5.1	19.6	3.2	8.0	4.3	6.9
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
N	(627)	(143)	(125)	(50)	(99)	(1,044)

† Caste

The management of the factory vests in the Board of Directors — thirteen in all — elected from amongst the shareholders. The elected members of the Board may co-opt two additional members as experts. As considerable prestige, material gains, and power of patronage are associated with the position of a director, there is intense competition among the local peasant leaders to become directors of the factory. The directors often try to use the resources of the factory to strengthen their position in local politics. The leading directors have been closely associated with the local units of political parties, particularly the ruling Congress Party and the factions within it.

In 1963–64, when field-work for this study was carried out, *Kisan* employed 885 workers including the supervisory and managerial staff. Among them, 450 workers were permanent and the rest seasonal. The majority of the workers were semi-skilled and unskilled. About 30 per cent of the workers were local, in the sense that they came from the 59 villages in the area of operation of the factory. Most of the local workers had caste, kinship and village ties with shareholders and directors. There were only 92 workers who came from other States, mainly Uttar Pradesh and Bihar. The numerically significant caste groups among the workers were Marathas (258), Neo-Buddhists (148), Brahmins (72), Dhangars (28), Malis (17), and Karekars (16). The

remaining 346 workers were distributed in small numbers among a large number of castes and among Christians and Muslims. There was a broad correlation between the caste affiliation of a worker and the nature of the job held by him. The Brahmins were engaged mainly in the clerical, skilled and supervisory work, while the Neo-Buddhists were engaged mainly in unskilled and semi-skilled work. The Marathas were found in all the occupational categories.

The factory works for about 200 days in a year. It has a crushing capacity of 1,200 tons per day. It crushes annually over two lakh tons of sugarcane supplied by the shareholders and produces over 23,000 tons of sugar. In economic terms, the factory has been a great success. It has paid all its 'block capital' loans, amounting to forty lakhs of rupees, four years in advance of the stipulated date. In addition, it has created permanent assets worth more than a crore of rupees. Recently, it has been granted expansion in its crushing capacity to 1,750 tons a day. It has been able to pay increasingly higher price for the sugarcane supplied by shareholders. Starting with a rate of only 37.25 rupees per ton of sugar-cane in the first year (1955–56), it paid 61.25 rupees per ton during the year of my field-work (1963–64). In 1967–68, it was able to pay 169.50 rupees per ton. Furthermore, through its extension services, it has helped the shareholders, directly or indirectly, to increase the yield of sugarcane. The average yield of cane per acre cultivated by the shareholders increased from 36.4 tons in 1955–56 to 54.8 tons in 1965–66. During the last ten years the factory has constructed and maintained a network of roads in its area of operation. For its workers and staff, it has developed a small township with many modern civic amenities. It has also helped to start and maintain two colleges and five secondary schools in the area. In short, the factory has contributed a great deal to the transformation of economic and social life in the surrounding area. It also occupies an important place in the local politics.

Establishment of the Factory

The initiative for the establishment of the factory came from Kaka, a local Maratha leader. He had been active in organizing a number of co-operative societies of different types in the region for over 25 years. Through this work he had also built up good contacts with influential co-operators and various officials in the co-operative field in the State.

When Kaka started collecting the share capital for the proposed factory in 1948, he realized that he could not do it with the support of the Marathas only, and the support of the other castes was essential. Although the Marathas were numerically

preponderant, the majority of them being small growers did not have enough resources for becoming shareholders. Kaka did not find it easy to enlist the support of the other castes. His proposal was strongly opposed by the rich Marwari and Gujarati Bania traders who considered it a threat to their vested interest, *viz.*, their trade in *gur*. They also tried to dissuade the minority castes of Malis and Karekars from buying shares of the proposed factory. The latter were even otherwise not very enthusiastic about Kaka's proposal. The cane growers of these castes had retained close links with the local traders for meeting their credit needs even after co-operative credit societies had been established in the region. They feared that the new factory, like the other-co-operatives, would be dominated by the numerically strong Marathas. They were also suspicious of Kaka who had earlier antagonised these groups. The traders were opposed to Kaka because he had already undermined their monopoly in the local market by organizing a co-operative sale and purchase union. He had come into conflict with the Karekars in neighbouring villages due to disputes over ownership of land and distribution of canal waters. The Malis were opposed to him because he had earlier campaigned against their getting lands on lease from the local Maratha landowners and also against the irrigation facilities enjoyed by them. As immigrants, dependent mainly on sugarcane cultivation, the Malis felt insecure with the increasing influence of Kaka whom they considered an open protagonist of the local Maratha peasants.

The opposition of the Malis to the establishment of the factory is worth noting as it brings out the relevance of the caste factor. Their opposition did not arise from any doubts about the utility of the proposed factory. In fact, they were the first among the sugarcane growers to realize the need for starting a sugar factory instead of being at the mercy of the fluctuating *gur* market. They had established a factory of their own in the neighbouring district on similar lines in the thirties although it was not registered as a cooperative. All the shareholders in that factory were Malis. Their opposition to Kaka's proposal arose mainly out of the fear of increasing domination by the Marathas.

The new proposal required both share capital and an adequate acreage of cane with the shareholders. The Malis had both. They were bigger cane growers and also possessed resources to buy shares. But the indifference and, to some extent, hostility on the part of the Malis and other minority castes frustrated Kaka. He had to give up the idea of starting a sugar co-operative and return whatever money he had collected from the people.

In the meanwhile, another Maratha leader succeeded in starting a sugar co-operative in a neighbouring taluka in 1950, which was the first factory of its kind in the State. This inspired Kaka to make another attempt and this time he succeeded. A

number of factors contributed to his success. In order to allay the suspicions of the trading and other minority castes, Kaka persuaded a local Marwari Bania trader to become one of the promoters of the factory. Two announcements by the State Government also helped him; first, the policy of favouring the licensing of sugar factories in the cooperative sector, and second, the policy of disallowing the sugar-cane growers in the canal-irrigated areas from cultivating more than six acres of cane. However, those who joined a co-operative sugar factory were to be exempted from this rule and to be allowed to cultivate upto 25 acres of cane. As most of the Malis were big cane growers they saw the threat to their cane growing operations and joined the factory as shareholders without any delay. Thus, Kaka succeeded in collecting enough share capital to register the proposed factory as a co-operative, and the factory was soon erected.

It is significant to note that the initiative and leadership in the establishment of *Kisan* emerged from the dominant group of the Marathas. This was true of most of the sugar co-operatives in Maharashtra. Members belonging to the other castes have rarely taken a leading part in starting such ambitious co-operative ventures. Organizing a big co-operative such as a sugar factory required mobilization of human and material resources on a large scale. The leaders of the dominant caste were in a better position than the others to mobilize such resources. The minority caste groups were not as enthusiastic in starting *Kisan* as the Marathas were. This was more out of fear of growth of power of the dominant caste and not so much due to any doubts regarding the economic and other advantages of joining such ventures. The minority castes joined *Kisan* ultimately when they realized that they could not prevent its emergence.

Leadership and Control of the Factory

The authority in the factory vests in the Board of Directors which takes all important policy decisions. The directors are elected by the shareholders, each of whom enjoys an equal number of votes irrespective of the number of shares held by him. For the first three years after the establishment of the factory, there was a nominated Board. Afterwards regular periodical elections have been held. There had been keen contest in all the elections, except during 1960–62 when the directors were elected unopposed. I was able to observe the elections of the Board held in December 1963, and I have also collected information about all the previous as well as subsequent elections through other sources.

The history of the struggle for power in *Kisan* is associated with two rival factions.

Factions are called *gats* in the local language, and each *gat* is known by the name of its main leader. Each faction puts up a separate 'panel' of candidates and approaches the voters for supporting the panel as a whole. Each faction is led by a Maratha. Its members are, however, drawn from all the castes among the shareholders though not in equal proportion. Over a period of time there has developed a two-party system in *Kisan* as well as in similar other structures of power in the area. Nobody comes forward to contest the elections as an 'independent' candidate outside of the panels put up by rival factions. The factions function almost on party lines although the leaders of rival factions may belong to the same political party. The factions also use the party idiom in their organization and activities. The terms such as 'parliamentary board,' 'party meeting,' 'party discipline,' and 'party line' are frequently used by them.

Before 1960, the factions in *Kisan* were organized largely on the basis of allegiance to rival political parties. While one faction was led by the members of the ruling Congress Party, the other was led by the members of the opposition parties, mainly the Peasants and Workers Party and the Communist Party. After 1960, most of the opposition leaders joined the Congress. For a period of two or three years there was complete unity in the Board of *Kisan* as well as in the boards of other co-operatives in the area. As a result, there were no contests in the elections to the different boards. Candidates were approved by the leaders and they were elected unopposed during this 'period of unity', as local people refer to it. At the end of 1962, serious differences developed among the leaders and two rival factions re-emerged, by and large pitting the 'old' Congressmen against the new entrants to the party. I do not discuss here the factors contributing to the unity and those leading to the reappearance of the split, as I do not consider it relevant for this paper.

The candidates are selected by the rival factions mainly on the basis of their 'vote-catching' ability. Formal education or other qualifications for managing the affairs of the factory are secondary. Both the factions try to give proportional representation to the different caste groups among the shareholders. Over a period of time a convention has developed that the minority castes of Malis and Karekars should have at least two directors on the Board. The Brahmins are given one seat as they have a smaller number of shareholders. Members of other minority castes, who do not have many shareholders, may get a representation occasionally if there is an influential leader among them. The candidates are selected by the respective 'parliamentary boards' of the rival factions. However, the selection of representatives from the minority castes is made in consultation with the acknowledged leaders of those castes within the faction. The factions also try to distribute their tickets evenly among the different villages, depending on the number of shareholders in them.

All the candidates of a faction pool their resources and organize the campaign

jointly. However, the candidates of the minority castes tend to approach the voters belonging to their castes individually. The issues in the campaign are not confined to those connected with the affairs of the factory. The actions of the rival factions in the factory as well as in other co-operatives, *panchayat bodies* and similar other structures are criticized during the campaign. The leading personalities and their actions are also subjected to criticism. However, the issues of any kind are not so decisive in influencing the voters. What matters most is the personal following of the leaders based on previous obligations and future promises. Politics at this level is 'a system of reciprocal personal obligations' as described by Whyte in his study of Cornerville (1943: 240).

Voting is by and large on factional line. Usually more than 95 per cent of the members exercise their franchise. Normally the panel as a whole wins or loses. This does not mean that there are no differences in the votes polled by individual candidates in the same panel. Some candidates get more votes than the others in the same panel due to their personal following or popularity among the voters. The candidates belonging to the minority castes often get more votes than the Marathas in the same panel as the minority caste voters tend to vote for their castemen across the panel. As a result, sometimes a minority caste may get slightly over-represented. Such a tendency is, however, criticized by the leaders of the dominant caste.

After the election of directors, the Chairman and the Vice-Chairman of the factory are elected by the directors from amongst themselves. Here again, barring one or two exceptions, the Chairmanship has always gone to a Maratha and the Vice-Chairmanship to one of the minority caste leaders, either a Mali or a Karekar.

The elections are often influenced by events remotely connected with the management of the factory. The strength of the rival factions in the District Central Co-operative Bank, other co-operative sugar factories in the district, co-operative sale-purchase unions, the *panchayat raj* bodies, the Congress party, and the State cabinet, influences the fortunes of rival groups in the factory. Thus, control over these other organizations helps a faction to secure control over the factory. And control over the factory, in turn, helps a faction to secure control over the other organizations.⁴

Since the factions are multi-caste alliances, they do not fight with each other on caste lines or caste issues. This is because factions, and not castes, form the basis of organization, competition and rivalry; and they operate more with the objective of capturing power in the co-operatives than for any ideological considerations. The

⁴I have discussed in another paper (1968b) the part played by co-operatives in Maharashtra politics. It is also discussed in detail in my "Factions and Party Politics: General Elections in an Assembly Constituency in Maharashtra", in a forthcoming volume being edited by M. N. Srinivas and A. M. Shah at the University of Delhi.

caste factor enters into the 'calculus' for achieving this objective. Caste is relevant here to the extent that the rival factions are led by the leaders belonging to the dominant Maratha caste and they try to secure support of all the numerically significant castes among the shareholders. In the process, almost all the castes are divided, though not equally, along factional line. The leaders realize the importance of caste in voting and try to provide representation to different castes in proportion to their numerical strength. The candidates belonging to the minority castes appeal to their castemen on the basis of caste loyalty. The Marathas continue to dominate in spite of the divisions among them, mainly because of their decisive numerical strength as compared to the other castes. They have also the advantage of having links with other Marathas who are powerful in other co-operatives, in the Congress Party and in the Government. This creates in them a tremendous sense of confidence. Much of the recent progress in the co-operative field in Maharashtra is due to the bold actions of the Maratha leaders in different parts of the State who have far more political resources at their disposal than the leaders of the minority castes.

Industrial Relations

The relations among the *Kisan* workers themselves, between the workers and the union, and between workers and the union on the one hand and the management on the other, were influenced largely by the divisions among the workers on the basis of 'locality', political party and, to some extent, caste. The caste background of the workers and the divisions of 'local' and 'outsiders' among them have already been mentioned. The employment of a large number of 'outside' workers, many of whom belonged to the castes other than those of the shareholders, needs an explanation. A large number of unskilled and semi-skilled workers were employed in the factory in 1953 when it was being erected. Initially, wages and working conditions were not sufficiently attractive for local labour to seek employment in it. The management also discouraged the recruitment of local labour for fear that it would create scarcity of agricultural labour and adversely affect sugarcane cultivation in the area. The senior officials of the factory having influence over the recruitment of workers were mainly Brahmins from outside the area. They too favoured the appointment of 'outside' workers in the hope that they would be more obedient as compared to local workers who had access to the directors and shareholders. The outside workers, in turn, took avidly to employment in *Kisan*. The ex-Untouchables were attracted by the prospect of regular employment free from the disabilities of village society. The workers from Uttar Pradesh and Bihar, who had an experience of working in sugar factories elsewhere, joined *Kisan* because

it offered relatively better jobs and higher wages on account of their past experience.

The Taluka Sugar Workers Union (*TSU*), affiliated to Hind Mazdoor Sabha (*HMS*), enjoys the legal status of the 'representative' union for all the six sugar factories in Kopergaon taluka. There are close links between the *TSU* and the local branch of the Praja Socialist Party (*PSP*). The *Kisan* branch of the *TSU* is active since the factory went into production. The outside workers largely belonging to the minority castes were the first to join the union and constituted the hard core of its supporters. The composition of the *TSU*'s membership in *Kisan* influenced significantly the management's attitude towards the union. More than 60 per cent of the workers in *Kisan* had been organized by the *TSU*. The proportion of union members was more among the unskilled and semi-skilled workers than among the employees of higher categories. Similarly, it was higher among the ex-Untouchables and other minority castes than among the locally dominant Maratha caste. Moreover, the outside workers were proportionately more than the local ones in the union. For instance, almost all the workers from Uttar Pradesh and Bihar were loyal members of the union. The main reason for this situation was that while the local workers, particularly from the dominant and other peasant castes, could count on their caste, kinship and village ties with the shareholders and directors to safeguard their interests, the other workers had to depend exclusively on the union strength. The local workers resented the dominance of outsiders in the union and felt that the union discriminated against them.

The major source of friction within the union and also between the union and the management was the existence of a large number of outside workers. It may be mentioned here that to provide employment to the local people was also one of the objectives in starting the co-operative sugar factories. However, the outside workers were recruited in the initial period for the reasons stated above. Soon after the initial period was over, there was considerable improvement in the wages and working conditions of workers. As a result, the local people began pressing the directors for jobs in the factory. At this stage, the management could not recruit new workers without removing the old ones. It also realized that any such attempt on its part would be strongly opposed by the union. The management also resented the close association between the *TSU* and the *PSP* as most of the directors were members of the Congress Party.

In order to deal with this situation the directors decided to sponsor a union which would co-operate with the management and be closer to the Congress. They encouraged the local workers to establish a rival union affiliated to the Indian National Trade Union Congress (*INTUC*) controlled by the Congress. The emergence of the 'company union' sharpened the division among the workers. The loyal supporters of the *TSU* who stood by it during this period were mostly outside workers including those from

the other States. The Maharashtrians among them were mostly ex-Untouchables or belonged to other minority castes. The open supporters of the *INTUC* union were mostly local workers belonging to the peasant castes. Many of them had close ties with the shareholders and directors.

The rivalry between the two unions led the *INTUC* and the management to take a bold step having far reaching consequences for both the unions. The step involved the removal of 105 workers by the management on the advice of the *INTUC* leaders. All these workers were loyal supporters of the *TSU*. Over 90 per cent of them were outsiders and the overwhelming majority of them consisted of ex-Untouchables. The vacancies arising out of the removal of these workers were filled up by appointing local men mostly belonging to the peasant castes and connected with the shareholders and directors through caste, kinship and village ties. All of them joined the *INTUC*.⁵

The *TSU* fought the cases of the dismissed workers in the court and succeeded in getting them reinstated. This boosted the confidence of the *TSU* and weakened the hold of the *INTUC*. The directors also lost interest in the latter and wondered if they did a right thing in interfering in the union matters. The *INTUC* soon became a defunct body. Although this has strengthened the *TSU*, it does not mean that it is completely secure in its position. The Neo-Buddhist workers in the factory are constantly under pressure from the Republican Party, founded by the late Dr. B. R. Ambedkar, to secede from the *TSU* and form a union of their own. The ruling faction in the management has been encouraging this move.

Thus, we find that 'locality' and, to some extent, caste were the two important factors which determined the workers' affiliation to the rival unions. They were also the major source of friction in the union's relationship with the management. The conflict between the *TSU* and the management was accentuated due to their association with rival political parties.

Summary and Conclusion

The fact that the sugarcane growers belonged to the different castes influenced the course of the establishment of the factory. While the dominant Marathas were keen to start the factory the minority castes were hesitant to join hands with them. Their hesitation was not due to any doubts about the economic utility of such a venture. They were quite aware of the benefits derived from joining a sugar co-operative, but they feared it would make the Marathas more powerful and dominant. They joined the factory ultimately when they realised that they could not prevent its emergence.

⁵I have discussed these developments in greater detail elsewhere (1968a).

The fear of the minority castes was not entirely imaginary. The Marathas do dominate the affairs of the factory and, to some extent, it has added to their power as compared to the other castes. The Marathas enjoy cumulative advantages. Controlling the factory helps them in controlling other organizations which, in turn, helps them to retain their hold over the factory. However, the minority castes are helped, to some extent, by the factional division among the Marathas. The former try to take advantage of this in securing greater representation in the Board and in getting their voice heard. They also try to achieve this objective by voting in favour of their own caste candidates across the panel.

Caste is one of the factors influencing the workers' attitude and behaviour towards the union and management in *Kisan*. The local workers belonging to peasant castes, preferably Maratha, and having kinship ties with shareholders and directors, feel more secure in their jobs and entertain greater hopes of rising in their career in the factory. This does not, however, mean that caste decides everything in one's favour. Factional divisions among directors may at times harm the interests of the local workers. For the other workers, the union is the main protector of their interests.

Thus, we find that although caste divisions among shareholders, directors and workers influence their attitudes and behaviour in certain ways, it has not affected the successful working of the factory. The factory was established in spite of reservations on the part of the minority castes. The Board manages to function on democratic lines and a smooth transfer of power has taken place between the rival factions in spite of the divisions among directors on caste lines. The very fact that the rival factions are multi-caste alliances is an indication that caste plays a minor part in their organization. Similarly, the existence of the *TSU* has helped to create a certain sense of security among the workers who do not belong to the dominant caste or who do not have supporters in the management. Seen in this perspective, it would appear that the traditional institution of caste has not prevented the successful working of a cooperative. The latter, it is true, had to make an adjustment with the former in the given environment. This finding goes against those who believe that caste is a major barrier in the process of economic development, industrialization and the growth of democratic institutions in the so-called traditional Indian society.

I would like to say a word about the role of dominant caste in this process. It cannot be denied that the ventures like *Kisan* have emerged and succeeded largely due to the dynamic leadership provided by the Marathas. This contribution of the Marathas is facilitated by the fact that they enjoy a decisive dominance in the social, economic and political fields. The Marathas control not only the co-operatives but also the *panchayat bodies*, the ruling party, and through it the State Government. Their position of power in wider politics has helped them to take a successful lead in co-operatives. This

leading position of the Marathas certainly bestows greater benefits and advantages to them. In the process, however, other caste groups also gain something. This gain would not have accrued to them without the leadership of the Marathas. A point may be raised here whether this process will not widen the gap between the Marathas and the others. Will this not make the Marathas more powerful? It may be argued that co-operatives should aim at safeguarding the interests of the weaker sections in the society and should strive to improve their lot. They should not, at least, make stronger those who are already strong. The answer to this argument would be that the establishment of equality among the different sections in a society cannot be achieved only or mainly through co-operatives. It has to be achieved on several fronts through many other measures. I would also like to point out that the role of dominant caste in the social, economic and political development of Indian society still awaits a fuller analysis. A point may be raised whether co-operatives like *Kisan* are not permeated with a kind of capitalist spirit. Without going into a detailed discussion, I would say that the study of *Kisan* does not support such a conclusion. One has to compare here the part played by the co-operative sugar factories in the life of the people in the area with that played by the private sector factories which have existed for a much longer period in the same area. The observation that these co-operatives are capitalistic in spirit is often based on a partial view of their being dominated by a few well-to-do peasants and the intense struggle for power which goes on in them. If one viewed the functions performed by these co-operatives in their totality one may not reach such a hasty conclusion.⁶

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